

**Review and Summary of Specific State and Agency Proxy Voting Policies  
March 2006**

CalPERS Approved Corporate Governance Initiative	Staff's Proposed Principles	Council of Institutional Investors (CII)	TIAA-CREF	Glass Lewis & Co	ISS
<b>Audit Integrity</b>	The selection of independent auditors should be ratified by shareowners annually.	Competitive bids at least every five years, should not perform any non-audit services, except those required by state or regulation to be performed by a company's external auditor; Audit Committee attestation of compliance with duties.	Not addressed.	Glass Lewis believes the selection of independent auditors should be ratified by shareholders annually. When the auditor is not put up for election we will recommend withholding votes from the chairman of the audit committee if the fees paid to the auditor in the past year were reasonable, or all members of the audit committee if non-audit fees exceeded audit fees.	ISS supports the annual ratification of auditors.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	Specific performance objectives should be set before the start of a compensation period while the previous years' objectives which triggered incentive payouts should be disclosed. Provisions for the retesting of performance hurdles in the event that incentive grants are retested should be disclosed.	The compensation committee should establish performance measures for executive compensation that are agreed to ahead of time and publicly disclosed. If performance targets must be lowered, amended or changed in the middle of a performance cycle, reasons for the change and details of the initial targets and adjusted targets should be disclosed.	Strongly advocates comprehensive disclosure and realistic accounting of equity-based plans, with the cost charged to the income statement.	Glass Lewis favors the disclosure of specific performance goals and believes the goals should be financially measurable. We oppose the lowering of any goal once a performance period has begun.	ISS believes specific performance objectives and goals should be disclosed. We also believe provisions for the retesting of performance hurdles should be disclosed.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	CalPERS believes disclosure of a policy for recapturing bonus and incentive payments that were made to executives on the basis of having met or exceeded performance targets during a period of fraudulent activity or a material negative restatement of financial results for which executives are found personally responsible.	Executives should be required to repay incentive compensation to the company in the event of malfeasance involving the executive, or fraudulent or misleading accounting that results in substantial harm to the corporation.	Not addressed.	Glass Lewis supports the implementation of clawback provisions.	ISS supports shareholder proposals requesting clawbacks in the case of fraud and personal responsibility.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	A process should be disclosed by which additional compensation for executives that coincides with the sale or purchase of substantial company assets can be ratified by shareowners.	While CII believes that executives should be well paid for superior performance, it also believes that executives should not be excessively paid.	Not addressed.	Glass Lewis has no specific policy on this issue, however, we support maximum executive compensation disclosure.	ISS supports proposals calling for shareholder vote on golden parachutes.

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<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	In the event of a merger, acquisition, or change in control, unvested equity should not accelerate: but should convert into the equity of the newly formed company.	Shareowners should approve any amendment of outstanding awards to shorten vesting requirements.	Not addressed.	Glass Lewis is against attaching change-in-control provisions to equity grants. We will support the conversion of equity awards into awards of the surviving company.	ISS believes that employees should not have a economic or monetary windfall in the event of a merger, acquisition or change in control. The assumed equity should retain its original vesting schedule.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	The distribution of dividend equivalent dividends on unvested equity should be prohibited unless a provision exists that would recoup payouts on unvested equity.	To ensure that executives are neutral between dividends and stock price appreciation, dividend equivalents should be granted with stock options, but distributed only upon exercise of the option.	Not addressed.	Glass Lewis is against the distribution of dividends on unvested equity.	ISS does not believe in prohibiting dividend equivalents, but we calculate their cost when evaluating equity plans. Such awards will have higher value than awards that do not receive dividends or dividend equivalents.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	Equity grants should vest over a period of at least three years.	No less than 3 years.	Not addressed.	Glass Lewis has no minimum vesting preference but examines the vesting schedule to measure the likely annual cost of grants.	ISS supports vesting periods and note it as a positive qualitative feature under equity plan analyses.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	The use of time vested equity, which supercedes any other performance metric, as the sole component to construct performance-based compensation plans is not an appropriate pay-for-performance model.	The present value of awards paid during the previous year and the philosophy and process used in determining pay should be fully disclosed in the proxy statement.	Not addressed.	Glass Lewis prefers the use of financially measurable goals to align pay with performance and does not believe time vesting alone serves to align pay with performance.	ISS supports the use of performance based compensation with disclosed criteria and hurdle rates opposed to time-based awards.
<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	Severance agreements that provide benefits with a total present value exceeding market standards should be ratified by shareowners.	Shareowners should ratify all employment contracts, side-letters or other agreements providing for severance, change in control, or other special payments to executives exceeding 2.99 times average salary plus annual bonus for the previous three years.	Severance arrangements should not provide contractual payments to executives who are terminated for misconduct, gross mismanagement, or other reasons constituting a "for cause" termination; reasonableness, competitive practice, and full disclosure should be the requirements for any severance arrangement; require shareholder approval of golden parachute severance agreements which exceed IRS guidelines.	Glass Lewis believes severance agreements totaling above 2.99 times salary and bonus should be put up for shareholder approval.	ISS supports proposals that require shareholder approval of golden parachutes and executive severance packages.

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<b>Executive Compensation: Improving disclosure and Linking executive pay to performance</b>	Defined contribution and defined benefit retirement plans should be clearly disclosed in tabular format showing all benefits available whether from qualified or non-qualified plans and net of any offsets.	Special retirement arrangements, including ones structured to permit employees whose compensation exceeds IRS limits to fully participate in similar plans covering other employees, should be consistent with programs offered to the general workforce, and they should be reasonable.	Supplemental executive retirement plans (SERPs) may be used to supplement "qualified" pension entitlement; however, SERPs should not be used to enhance retirement benefits beyond that which is reasonable and should be fully disclosed.	Glass Lewis supports full disclosure of all types of retirement plans.	ISS supports full disclosure of all retirement plans.
<b>Shareowner Rights: Majority Vote</b>	In an uncontested director election, a majority of proxies cast should be required to elect a director. In a contested election, a plurality of proxies cast should be required to elect a director.	When permissible under state law, companies' charters and by-laws should provide that directors are to be elected by a majority of the votes cast	Not addressed.	Glass Lewis favors the election of directors by a majority vote. We will support a plurality system for contested elections.	ISS recommends that directors be elected with an affirmative majority of votes cast and/or the elimination of the plurality standard for electing directors (including binding resolutions requesting that the board amend the company's bylaws), provided the proposal includes a carve-out for a plurality voting standard when there are more director nominees than board seats (e.g. contested elections).
<b>Shareowner Rights: Majority Vote</b>	A majority of proxies cast should be able to amend the company's bylaws by shareowner proposal.	A majority vote of common shares outstanding should be sufficient to amend company bylaws or take other action requiring or receiving shareholder vote.	Not addressed.	Glass Lewis favors a simple majority vote standard for shareholder amendment of bylaws.	ISS supports proposals calling for majority of votes cast on bylaw changes.
<b>Corporate Responsibility: Improving environmental disclosure</b>	Companies should provide accurate and timely disclosure of environmental risks and opportunities, such as those associated with climate change.	Not addressed.	Companies should address the environmental impact of the companies operations and products. Supports environmental disclosure resolutions.	Glass Lewis will support shareholder proposals regarding disclosure of environmental risks when we believe the company has exhibited a pattern of poor behavior in this area that creates financial risk for the company and its shareholders.	ISS will support resolutions where the disclosure requested is reasonable in its structure, pertinent to the company's core businesses, and not duplicative of existing disclosure.